Center for Renewable Energy Research and Environmental Stewardship
August 16, 2011 Meeting Minutes

Present: Cliff Ashburner, Dr. Don Colliver, Tom FitzGerald, Rachel Foster, Cam Metcalf, Dr. Len Peters, Ken Seibert, Dr. Mickey Wilhelm, John Wright

Also present: John Davies, DEDI; Susan Blankenship, DEDI; Greg Guess, DEDI; Andrew Marsh, Conn Center; Nadh Satyavolu, Conn Center; Kate Shanks, DEDI; Dr. Mahendra Sunkara, Conn Center; Karen Wilson, EEC

Certification of Open Meeting
Media was notified 8/12/2011

Introductions of Board Members
Self introductions

Approval of Minutes
Dr. Len Peters
August 25, 2010 minutes were unanimously approved.

Conn Center Update
Dr. Mahendra Sunkara

Dr. Sunkara presented information about the Conn Center. He discussed the Center's mission statement, objectives, and research and development themes and provided an overview of staffing, communication efforts and fundraising. Conn Center staff have submitted 20 proposals in the past two years. The Center received $2.2 million in new funding this year. Dr. Wilhelm noted that the same information was provided to the Conn Center Technical Advisory Board members who felt it was a logical plan.

Mr. FitzGerald commented that he preferred the Center focus on efficiency and carbon neutral fuels as it works towards reducing the carbon footprint of coal instead of studying methods to remove CO_2 post coal combustion/gasification. He noted that work related to removing CO_2 post combustion/gasification and sequestration is already being done by another lab in Kentucky. There was also discussion of a military-funded project related to methanol-fed fuel cells. Finally, Mr. FitzGerald commented that there is a policy gap related to efficiency and renewables, and he wants to see the Conn Center help CRERES with that function.

Mr. Wright noted that Kentucky is already producing biofuels today, but we need to focus on making that process more efficient. More specifically, we need to look at the value of co-products which can make the process more profitable. Finally, petroleum companies have their own specifications for biofuel, and a producer must meet those specifications.

Presentation by the Department for Energy Development and Independence (DEDI)
Greg Guess and Susan Blankenship

Mr. Guess provided a review of energy efficiency programs supported by the American Recovery and Reinvestment Act funding. Of particular interest to the group, was the Kentucky Energy in Education Collaborative. Several of the programs Mr. Guess highlighted comprised this collaborative including Kentucky Energy Efficiency Program for Schools (KEEPS), School Energy Managers Program (SEMP), Kentucky NEED Project, Kentucky Green and Healthy Schools, Kentucky School Plant Managers Association, and the Hybrid Horsepower for Kentucky Schools.

Mr. Wright asked if the k-12 energy efficiency programs are provided to private schools in addition to public schools. Private schools can make use of the resources developed under the collaborative but are not required to participate. Public schools, for example, are required to enroll in the Kentucky Energy Efficiency Program for Schools.

Dr. Colliver asked if someone is coordinating the energy in education efforts. Mr. Guess provides that coordination.

Mr. FitzGerald asked if there was a plan for these programs after the funding period ends. DEDI staff through ARRA funds have built the infrastructure and experimented with different initiatives. Some of the programs will continue but others will not. For example, the Green Bank utilizes ARRA funds to loan money to public agencies for energy efficiency improvements. As money is paid back to the bank it can be re-loaned to other projects. Additionally, the School Energy Managers Program is partially funded by the school districts and DEDI staff intend for school districts to maintain the manager positions in the future.

Dr. Peters said that all 50 states are talking about what will happen when the ARRA spending period ends. Mr. Davies noted that if key energy programs are zeroed out, DEDI will do less.

Mr. Metcalf said that utilities should have some responsibility for KEEPS.

Mr. FitzGerald asked Mr. Guess what it would cost to sustain the programs. Mr. Guess is working to determine that. Mr. FitzGerald recommended that Mr. Guess present the same information to the appropriate subject matter committees and the Budget Review Subcommittee.

Dr. Peters said that Kentucky is probably spending as much as any state or more on k-12 energy efficiency. Schools keep the money saved from energy efficiency improvements.

Mr. FitzGerald asked if any of the utility DSM filings have programs for schools. LG&E and KU have educational components in their filings, but the group was unaware of other utilities' efforts to include educational programs in their filings.

Mr. Guess also informed the board of the Energy STAR schools initiative, net zero schools, Green Bank, Ky. Appliance Rebate Program, Save Energy Now, UK CAER Renewable Energy Lab, energy management software for Kentucky buildings, on-farm energy efficiency and renewable energy grants, Home

Performance with Energy STAR, multi-farm collaborative, and smart grid initiatives for rural cooperatives. Board members were also encouraged to look at the DEDI Annual Summary and Energy Profile available online.

Ms. Blankenship presented information about the Stimulating Energy Efficiency in Kentucky and partnership with the American Council for an Energy Efficient Economy. This initiative is intended to set the state on a path to 1% energy savings per year. Ms. Blankenship reviewed the stakeholder process. Staff are meeting with stakeholders individually in Kentucky to discuss which energy efficiency efforts are working, which could work and which are unfavorable. She identified some of the initial findings of the effort and next steps. Mr. Metcalf has participated in some of the meetings and said that some stakeholders are indicating the payback period for investments is longer than what it has been. He heard some companies cite a payback period requirement of 5-6 years. Ms. Blankenship said that it is generally 1.5-5 years.

Mr. FitzGerald has concerns about the impact of utility-sponsored efficiency programs on low income ratepayers because the benefit they receive from such programs may not exceed what they pay. Rebates and tax credits may not be helpful for low income individuals who do not have adequate tax liability or money to invest to trigger tax credits and rebates.

Mr. Ashburner asked how the 1% energy reduction is being applied. It hasn't been determined yet how DEDI staff will calculate the reduction. DEDI staff must determine if the 1% will be applied to consumption or generation and how to control for other factors that reduce demand such as a recession.

Dr. Peters asked if other states are implementing a similar initiative. Alaska, Missouri and Puerto Rico are embarking on a similar initiative. DOE also included the concept in a recent funding opportunity announcement.

Mr. FitzGerald commented that as DEDI staff follow up with stakeholders it will be interesting to see if their opinions have changed this past year since the utilities began discussing the EPA rules and their impact on rates.

Other Business

Mr. FitzGerald asked that the last item on the agenda—discussion of next steps as a board—be moved to the first item on the agenda of the next meeting. The Board agreed. Dr. Peters asked the Board to review the next meeting dates, and Dr. Wilhelm reminded the Board that the annual report is due.

Meeting Adjourned

Next meeting agenda:

- Discussion of next steps as a board